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ELECTRONICS & INFORMATION TECHNOLOGY DEPARTMENT

NOTIFICATION

The 6th May, 2025

[No.2616–EIT-DEV-II-HWSW-0001/2023/E&IT.]

Sub: Operational Guideline for Odisha Semiconductor Manufacturing and Fabless Policy

(Notification no. 3698, dated the 1st September, 2023 and its amendment vide notification no. 1172, dated the 13th March, 2024)

1. Short Title:

Operational guidelines for disbursement of Capital Investment Subsidy under Odisha Semiconductor Manufacturing and Fabless Policy – Compound Semiconductors/ Silicon Photonics/ Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/ OSAT facilities in Odisha.

2. Extent:

It shall extend to the whole of the State of Odisha.

3. Commencement:

Applications for approval under the Policy will be accepted during the operative period of the policy, i.e. from the date of notification till dated 31st December, 2030. The operative period may be modified through an amendment by Government of Odisha.

4. Terms and Expressions:

a) All terms and expressions used in these guidelines shall have the meaning ascribed to them in the Odisha Semiconductor Manufacturing and Fabless Policy 2023 unless otherwise defined.

b) In case of ambiguity, the interpretation provided by the Electronics & IT Department, Government of Odisha, shall be final.

c) Any amendments or modifications to these guidelines shall be notified separately and shall take precedence over earlier provisions.

5. Eligibility:

The following projects are eligible for fiscal support under the policy:

a. All units falling under “Semiconductor Manufacturing and Fabless Design” are entitled for benefits under the extant policy for all the undisbursed grants unless specifically stated otherwise in the provisions of the policy.

b. Existing units which take up Expansion/ Modernization/ Diversification (E/M/D) will be eligible for specific incentives as specified in the Policy or its Operational Guidelines.

c. New semiconductor units which have commenced commercial production during the effective period of this Policy, taking up expansion / modernization / diversification (E/M/D) during this policy period shall be eligible for admissible incentives for additional investments towards the same.

d. Eligible units shall be allowed to take up phase-wise commissioning of the total approved plant capacity within the overall prescribed time limit of 3 years for MSMEs and 5 years for large units from the date of first fixed capital investment and avail applicable incentives in a phased a manner.

e. Support under the Policy shall be provided only to the Project Company meeting eligibility criteria as defined below:

i. Compound Semiconductors / Silicon Photonics (SiPh) / Sensors including MEMS) Fab / Discrete Semiconductors Fab

Description	Companies / Joint Ventures proposing to set up Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS)/ Discrete Semiconductors Fab in Odisha for manufacturing High Frequency / High Power / Optoelectronics devices	
Technology	Wafer Size	Capacity
	100/150 / 200 mm or more	500 or more Wafer Starts / Month (in 100 mm equivalent)
Operational Experience	The applicant Companies / Joint Ventures should have the following experience: a. Own and operate a commercial Compound Semiconductors / Silicon Photonics (SiPh)/ Sensors (including MEMS) Fab / Discrete Semiconductors Fab or Silicon Semiconductor Fab OR b. Own or possess licensed process technologies for the proposed Fab and have a viable JV partner in India with requisite experience in the domains mentioned above	
Capital Investment Threshold	Minimum Capital Investment of INR 100 crore (INR 1 billion) for Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS)/ Discrete Semiconductors Fab	

ii. Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) Facility

Description	Companies / Joint Ventures proposing to set up Semiconductor Assembly, Testing, Marking, and Packaging (ATMP) / Outsourced Semiconductor Assembly and Test (OSAT) Facility in Odisha
Operational Experience	The applicant Companies / Joint Ventures should have the following experience: a. Own and operate a commercial Semiconductor Packaging Unit OR b. Own or possess licensed technologies for the proposed semiconductor packaging unit and demonstrate the roadmap to advanced packaging technologies through licensing or development
Capital Investment Threshold	Minimum Capital Investment of INR 50 crore (INR 500 million)

f. In case of a consortium / joint venture, the criterion may be satisfied by one or more group companies.

g. The minimum investment thresholds are same for new units or expansion of capacity / modernization and / or diversification by existing units

h. If an application is made for Fab as well as ATMP unit, then the minimum threshold of capital expenditure / investment applicable for such application shall be the higher of the individual threshold investment for each of the category covered under the application.

i. Eligibility under the Policy shall not affect eligibility under any other Scheme/ Policy of Government of India and Governments of Odisha and vice-versa. However, an applicant under the Policy will not avail fiscal support for the same set of incentives under any other Scheme/Policy of Government of Odisha for the same Project.

j. Integrated manufacturing of modules and devices along with Compound Semiconductors / Silicon Photonics / Sensors Fab / Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities shall be eligible for fiscal support under the Policy. The manufacturing of Epi Wafers of GaN, SiC, etc. shall also be eligible for fiscal support under the policy.

6. Definition / Explanations:

i. State Government: State Government shall refer to Government of Odisha.

ii. **Policy:** Odisha Semiconductor Manufacturing and Fabless Policy 2023 & its amendments thereof from time to time

iii. **Applicant:** Applicant for the purpose of the Policy is a legal entity, i.e., Private Limited Company / Public Limited Company or a Consortium led by Private Ltd. Company or a Public ltd. Company as the lead consortium partner making an application for seeking fiscal support under the Policy. However, there are two categories of applicants as defined below:

a. ISM Category Applicant: An Applicant whose project proposal has been approved by the ISM and letter of approval has been issued by ISM/MeitY, GoI followed by signing of the Fiscal Support Agreement.

b. Non-ISM Category Applicant: An Applicant whose project proposal is under process at the ISM/MeitY or an applicant who has not applied for fiscal subsidy from ISM/MeitY, GoI or an applicant whose application for fiscal support has been rejected by the ISM/MeitY, GoI for reasons whatsoever.

iv. **Application:**

A. Application means an application submitted by an Applicant on the GO SWIFT (Single Window) portal and the Annexures of the Guidelines containing requisite information, along with the supporting documents and application fee. Either of the 2 following conditions will apply for the processing of applications

a) For India Semiconductor Mission (ISM) approved applicants, approval from ISM will be the reference for further procedures, read along with this OG.

b) For non-ISM applicants, this OG will be referred for further processing of applications.

Note:

(i) In case, an applicant has applied at ISM, but the application has not been processed will fall in category (b), however, at a later stage if the application gets approved by ISM, the application will consequently come under category (a), and the additional subsidies /benefit, disbursed if any will be adjusted in accordance with the OG.

(ii) Non-ISM Projects which have been approved by the State Government before publication of this Operational Guidelines will be treated as

approved projects under the OG. However, all processes beyond the current status of such a project will come under the purview of the OG.

B. On receipt of the application in the prescribed format from IPICOL, the Nodal Agency shall conduct an examination as to whether the application prima facie meets the criteria under the Policy.

C. There is no restriction on any Applicant from making multiple applications and/ or for multiple locations.

D. Clause 5.e(i) and 5.e(ii) of the Operational Guideline states the minimum investment threshold criteria and there is no upper limit of the investment.

E. Project proposals which are already approved by the Govt. of Odisha prior to the publications of these guidelines may not be required to submit the application again but have to furnish additional information & data as sought by the Nodal agency from time to time.

F. Applicants whose projects have been approved by ISM have to submit the following documents to the Nodal Agency.

i. Certified copy of Letter of approval letter issued by given by ISM/MeitY, GoI
ii. Certified copy of the Fiscal Support Agreement (FSA) signed with ISM/MeitY, GoI with all attachments and annexures. If any
iii. Certified copies of all correspondence with ISM/MeitY in connection with the approval of the proposal
iv. Any other relevant document / information sought by the Nodal Agency from time to time

v. Acknowledgement Date: Acknowledgement date is the date on which a system generated notification is issued by the GoSwift Portal of the State, on successful submission of the application by the Applicant.

vi. Approval Date: Approval date is the date on which approval letter for the project/ unit is issued by the competent authority/agency under the Odisha Industries (Facilitation) Act 2004, and its amendments, to the applicant.

vii. Fiscal Support Agreement: Fiscal Support Agreement (FSA) is an agreement signed between OCAC and approved applicant for the disbursement of fiscal support.

viii. Project/ Unit: A Project / Unit under the Policy would be a new business unit or expansion of capacity / modernization and / or diversification of an existing unit in Odisha or expansion of capacity / diversification of a unit in operation in any part

of the country, which an applicant intends to implement as per an application submitted under the Policy.

ix. **Approved Project/ Unit**: Approved Project / Unit means a project for which approval letter is issued by the competent authority/ agency under the Odisha Industries (Facilitation) Act 2004, and its amendments.

x. **Commercial Production**: "Commercial Production" implies that the production is undertaken for the sale of manufactured goods by the approved Project / Unit as defined in relevant accounting standards issued by ICAI for the standard capacity of the project.

   a) The unit must comply with all statutory approvals, including environmental, safety, and regulatory clearances, before Commercial operation date (COD) is granted.
   b) Any delay in commencement beyond the approved timeline must be reported to the Nodal Agency, along with valid justification and necessary approvals for an extension.

xi. **Capital Expenditure:** Capital expenditure shall include capital investment for the following:

   a. Capital Expenditure / Investment incurred on Building, Plant, Machinery, Clean rooms, Equipment and Associated Utilities: This shall include expenditure on building, clean rooms, plant, machinery, equipment and associated utilities (including used / second hand / refurbished), as well as tools, dies, molds, jigs, fixtures (including parts, accessories, components, and spares thereof), etc. used in the manufacturing process eligible under the Policy. It shall also include expenditure on packaging, freight / transport, insurance, and erection and commissioning of the plant, machinery, equipment and associated utilities. Associated utilities would include captive power and effluent treatment plants, essential equipment required in operations areas such as clean rooms, air curtains, temperature and air quality control systems, compressed air, water & power supply and control systems etc. Associated utilities would also include IT and ITES infrastructure related to manufacturing including servers, software and ERP solutions. Higher cost of equipment on account of additional warranty/ AMC/ consumables etc. hall is not considered as part of the project cost.

   b. Capital Expenditure / Investment incurred on Research and Development (R&D): This shall include expenditure on in-house and captive R&D. Such

expenditure shall include test and measuring instruments, purchase of design tools, software cost (directly used for R&D) and license fee, expenditure on technology, IPR, Patents and Copyrights for R&D purpose.

c. Capital Expenditure / Investment related to Transfer of Technology (ToT) Agreements: This shall include cost of technology purchase related to manufacturing of goods for which application is made under the Policy. Any cost associated with ToT or licensing of the process between JV partners shall not be considered as part of the ToT cost.

d. Capital Expenditure / Investment incurred on Land: The expenditure incurred on land required for the project / unit shall not be considered towards eligible capital expenditure / investment computation under the Policy.

xii. Eligible Capital Expenditure/ Investment: The capital expenditure/ investment which is considered eligible for fiscal support under the Policy as per the approval letter issued to the applicant or the actual capital expenditure/ investment made in the project/ unit, whichever is lesser.

a. Capital expenditure/investment as defined in the Operational Guidelines shall be considered for determining eligible capital expenditure/ investment under the Policy provided such expenditure is made on or after the date of approval of an application and within 5 years of date of approval of such application.

b. However, specific exception(s) to capital expenditure / investment made prior to the date of acknowledgement may be considered on merit based on justification furnished by the Applicant. The current value of the capital expenditure made in the asset shall be determined based on valuation report furnished by Valuer appointed by OCAC.

c. Capital expenditure / investment, based on which eligible capital expenditure/ investment is being determined, shall be capitalized in the books of accounts of the applicants.

d. Building, clean rooms, plant, machinery, and equipment (including for associated utilities and R&D) shall be purchased / leased in the name of the Project Company.

e. The value of building, clean rooms, plant, machinery, equipment, and associated utilities will be verified by OTFAG.

f. The used / second hand / refurbished plant, machinery, and equipment (including for associated utilities and R&D) allowed under the Policy shall have a minimum residual life of at least five (5) years, at the time of transfer of assets, as per Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, amended vide Ministry of Environment, Forest & Climate Change Notification dated 11th June, 2018.

xiii. Pari-Passu Payment:

a) ISM applicants: The pro rata payment by State Government to be released after the corresponding share to be mobilized by Applicant / Project Company along with other sources, including Government of India's share is deposited into the No-Lien Account (NLA). The deposits in the No-Lien Account (NLA) shall be utilized only for authorized expenditure for the approved project

b) Non-ISM applicants: The pro rata payment by State Government to be released after the corresponding share to be mobilized by Applicant / Project Company along with other sources is deposited into the No-Lien Account (NLA). The deposits in the No-Lien Account (NLA) shall be utilized only for authorized expenditure for the approved project

c) Capital expenditure already incurred by the applicant / company in an approved project in both the cases (a) & (b) above, prior to publication of the OG and hence prior to opening of the NLA will be eligible for the capital subsidy. Post notification of the OG, financial transaction through the NLA is mandatory**.** Capital subsidy for the projects approved prior to publication of OG shall also be subject to recommendation by the OTFAG.

xiv. Authorized Expenditure: Refers to approved budget or financial allocation that has been formally approved for the development, operation, or expansion of the plant.

xv. Fiscal support: Financial support provided by State Government to enhance the viability of the project

xvi. Additional Fiscal Support: Fiscal Support committed to or received by the Applicant / Project Company from the Government of India or any other Government bodies.

xvii. **Related Party(ies):** The term related party(ies) would be as defined as per provisions of relevant statutes and Accounting Standard, as may be applicable to the applicant / Project Company, as notified by Ministry of Corporate Affairs (MCA) or any other Appropriate Authority from time to time.

xviii. **Force Majeure:** Extraordinary events or circumstances beyond human control such as an event described as an act of God (like a natural calamity) or events such as a war, strike, public health emergency, riots, crimes (but not including negligence or wrong-doing, predictable / seasonal rain and any other events specifically excluded).

xix. **Group Company(ies):** Group Company(ies) shall mean two or more enterprises which, directly or indirectly, are in a position to:

a) Exercise twenty-six per cent or more of voting rights in other enterprise; or

b) Appoint more than fifty per cent of members of board of directors in the other enterprise.

7. Roles & Responsibilities of Committees, Agencies involved:

The following committees are constituted for smooth implementation of the policy provisions:

i. **Nodal Agency**: Odisha Computer Application Centre (OCAC), the technical directorate of the Electronics and Information Technology Department, Government of Odisha, will be the Nodal Agency responsible for the implementation and monitoring of various activities under this Policy on behalf of the Electronics & Information Technology Department.

Role & Responsibilities of Nodal agency (OCAC): The R&R of the Nodal Agency are outlined below.

a. Verify eligibility of the applicants for support under the Policy.

b. Empanel agency(ies) / Consultants/ Experts as deemed necessary to carry out technical and financial appraisal of the projects as well as evaluate expertise of the Applicants in these niche areas of Compound Semiconductors / Silicon Photonics (SiPh) / Sensors (including MEMS) / Discrete Semiconductors and semiconductor packaging.

c. Get the application evaluated technically & financially by **Odisha Technical & Financial Assessment Group** (OTFAGG).

d. Examine claims for fiscal support under the Policy and disburse the fiscal support as per eligibility. OCAC will administer the disbursement of incentives.

e. Submit periodic reports to the Electronics and Information Technology Department, Government of Odisha regarding the progress and performance of the Policy.

f. The Industry Facilitation and IT Promotion (IF&ITP) Cell at OCAC will act as the Project Implementation Unit (PIU) and Project Management Unit (PMU) for OCAC for the Odisha Semiconductor Manufacturing and Fabless policy.

ii. IPICOL: (Industrial Promotion and Investment Corporation of Odisha Limited) is the single point of contact for all industrial investments in the State.

Role & Responsibilities of IPICOL: The R&R of IPICOL are outlined below.

a. Support and coordinate with applicants for effectively using the Go-Swift Portal
b. Acknowledgment of Applications submitted through the Go-Swift Portal
c. Undertake scrutiny of applications received on Go-Swift Portal
d. Obtain required approvals from concerned departments/bodies
e. Assessment of land, water and electricity requirements
f. Handholding of the applicant/investor for the entire investment cycle
g. Receive queries regarding applications and facilitate its redressal from concerned department through *e-Suvidha* (State Project Monitoring Group (SPMG) portal to resolve issues with Govt. Departments),

iii. Odisha Technical & Financial Assessment Group (OTFAGG): Committee Constituted by the Electronics & IT Department, Government of Odisha under the aegis of Odisha Computer Application Centre (OCAC) for the technical, financial and commercial evaluation of the proposals submitted by Applicant. This Committee will comprise of following members:

a. Managing Director, OCAC - Chairman
b. Representative of Director, IIT Bhubaneswar
c. Special Secretary/ Additional Secretary, E&T Dept. (dealing with Industry & investment promotion)
d. Sectoral experts (Two) from industry representatives of national and/or international repute like India Electronics semiconductor association (IESA) and/or Semiconductor Equipment and Materials International (SEMI)
e. Finance expert
f. FA, E&IT Department

Role & Responsibility of OTFAG: The R&R of OTFAGG are outlined below.

a. Evaluation of the applications both technically & financially.
b. Seek necessary technical and financial clarification from the applicant required in course of the evaluation of the project proposal.

c. If required, OTFAG may ask the concerned persons of the project to present requisite data, information and clarification before the committee online or in person

d. Prepare a comprehensive evaluation report of the project proposal and submit the same to OCAC

iv. **Apex Committee**: An "Apex Committee", led by the Chief Secretary, will oversee the implementation of the Odisha Semiconductor manufacturing and Fabless Policy. This committee will monitor policy implementation, project progress grievance redressal and approval of incentives on a quarterly basis.

v. **Special Single Window Clearance Committee (SSWCC):** SSWCC headed by Secretary, E&IT Department for projects with investment below Rs. 50 crores

vi. **State Level Single Window Clearance Authority (SLSWCA):** SLSWCA headed by Chief Secretary for projects with investment of or above Rs. 50 crores and below Rs. 1000 crores

vii. **High Level Clearance committee (HLCA):** HLCA headed by the Chief Minister, Odisha will decide on the proposals of value greater than 1000 Cr, based on the recommendations of IPICOL, and OCAC.

8. Procedure:

A. Evaluation & Approval

i. The evaluation and approval process under the Odisha Semiconductor Manufacturing and Fabless Policy is designed to ensure a clear, structured, and transparent framework for project proposals.

ii. The preliminary scrutiny by the Odisha Computer Application Centre (OCAC) through the Odisha Technical and Financial Assessment Committee (OTFAG) is intended to verify completeness, eligibility, and alignment with policy objectives. This is followed by a technical evaluation assessing feasibility, technology, capacity, infrastructure including Plant & Machinery, timelines, and background & expertise of prompters. Financial evaluation examines cost structures, funding requirements, ROI, and economic benefits, while commercial viability assessment reviews market potential, scalability, competitive positioning, and alignment with global trends.

iii. The evaluation criteria and weightage for various parameters shall be decided by OCAC. Accordingly, all findings are integrated in a comprehensive evaluation report prepared by OTFAG, where projects are scored based on technical, financial, and commercial parameters.

iv. OCAC as the Nodal Agency will share the OTFAG evaluation report with IPICOL.

v. If the project proposal is below Rs. 50 Cr, OCAC will convene the Special Single Window Clearance Committee (SSWCC) headed by the Secretary, Electronics & IT, Government of Odisha and seek its approval. If the project proposal is within Rs. 50 Cr to Rs.1000 Cr, IPICOL will convene the State Level Single Window Clearance Authority (SLSWCA) headed by the Chief Secretary, Odisha and seek its approval. On the other hand, if the project cost is more than Rs. 1000 Cr, the Department of Industries shall convene the High-Level Clearance authority (HLCA) headed by the Chief Minister, Odisha and seek its approval. Approval of the State cabinet will be taken, wherever required.

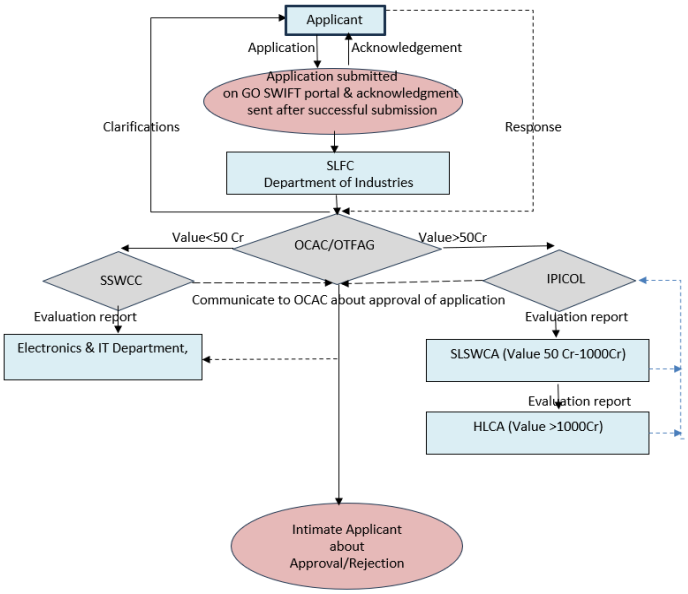
vi. Based on the outcome of the SSWCC/ SLSWCA / HLCA, IPICOL shall issue the approval letter to the Applicant under intimation to all concerned Departments/Govt. agencies for extending necessary support to the approved project.

vii. Approved projects are subject to periodic monitoring, including progress reviews, audits, and inspections by the Nodal Agency and IPICOL.

viii. This framework guarantees merit-based, transparent evaluations to promote growth in Odisha's semiconductor and fabless ecosystem.

B. Application & Approval Process Flow Chart:

An application will have to comply with the norms as specified in the Guidelines & the DPR read with the annexures. An illustrative process flow of application lifecycle is given below for reference:



Note: *The Electronics & IT Department will inform ISM about the outcome of the application and also notify SLSWCA and HLCA for their consideration during the evaluation process. Additionally, OCAC or IPICOL will communicate the outcome to the applicant.*

For 6, xiii(a)	ISM Route- 50% from ISM + 25% Add. from State
For 6, xiii(b)	Non- ISM route- As per the extant policy

The Approval of the project would be intimated to all concerned Govt. bodies/ agencies/PSU's like IPICOL (Industrial Promotion & Investment Corporation), IDCO (Odisha Industrial Infrastructure Development Corporation), OSPCB (Odisha State Pollution Control Board), for land, water, power allocation, etc.

C. Claim for Fiscal Support

a. The Applicant / Project Company shall create a No-Lien Account (NLA) with a Scheduled Commercial Bank in Bhubaneswar and provide the details thereof to the Nodal Agency. The Nodal Agency shall enter into a Tripartite Agreement with the Applicant, and the Bank, where the NLA of the Applicant is maintained, for proper utilization of the fiscal support.

b. Claim for Capital Investment Subsidy may be submitted by the Project Company as and when required.

c. The Nodal Agency may seek any documents, certificates, etc. from the Applicant / Project Company during the process of verification.

d. The quantum of Capital Investment Subsidy payable for the project would be assessed based on eligible capital expenditure / investment as communicated in the approval given to the Applicant / Project Company by the nodal agency.

e. The disbursement of Capital Investment Subsidy shall be made on pari-passu basis i.e., all pro rata payments to be released after the corresponding share is mobilized by Applicant along with other sources and is deposited in the No-Lien Account (NLA) and other necessary conditions for release of such payments as prescribed in the Policy Guidelines / Approval Letter have been complied. The same is to be applicable on all the instalments with effect from the first instalment to be released to the applicant. The deposits in the No-Lien Account (NLA) shall be utilized only for authorized expenditure for the approved project. For ISM category projects, State Govt. will contribute its share of Capital Investment Subsidy after the contribution from the Government of India is made.

f. Disbursement of Capital Investment Subsidy shall be within the amounts for each item under eligible capital expenditure / investment as per the approval given to the applicant / Project Company by the Nodal Agency. Any variation in expenditure pertaining to approved eligible capital expenditure / investment item due to exchange rate variations, technology upgradation, and change in specifications of Building, Plant, Machinery and Equipment shall be allowed, subject to verification by OTFAG of relevant documents submitted by the applicant, even if it leads to variation of expenditure within individual eligible capital expenditure / investment items, as long as the total actual expenditure is within the overall approved eligible capital expenditure / investment.

g. Second instalment onwards shall be released on submission of a report mentioning the physical and financial status (% completion) of Buildings & Clean Room, Plant, Machinery & Equipment, Associated Utilities, Technology Transfer, Itemized list of capital goods/ equipment with details of suppliers, purchase orders, invoice, payment, capitalization etc. Copy of the Fixed Assets Register duly certified by the Statutory Auditors of the Project Company and utilization certificate for the utilized amount with proper justification for further requirement of funds also needs to be submitted with the claim.

h. The project company must ensure adequate insurance including transit insurance of its project assets.

i. The Nodal Agency or its empaneled agency(ies) shall have the right to carry physical inspection of an applicant's manufacturing units and offices with prior intimation for purpose of verification of claims.

j. In case of doubt with respect to the eligibility of any capital expenditure / investment that is mentioned in the claim for fiscal support, the Nodal Agency may refer the matter to the Electronics and Information Technology Department, Government of Odisha for clarification. The decision of the Electronics and Information Technology Department, Government of Odisha shall be final in this regard.

9. Disbursement of Capital Investment Subsidy (CIS) :

The disbursement of Capital Investment Subsidy shall be carried out by the Nodal Agency.

a. The Capital Investment Subsidy against the eligible capital expenditure / investment shall be released after the approval of the claim for fiscal support by the nodal agency, subject to compliance to other terms and conditions stipulated in the Policy / Guidelines / Approval Letter.

b. Any excess Capital Investment Subsidy provided to project company, shall be refunded to the nodal agency post declaration of the commercial operation for the entire project.

c. The Nodal Agency shall furnish information to the Electronics and Information Technology Department, Government of Odisha details of claims received for fiscal support, claims approved, amount disbursed, and reasons for rejection / delay in disbursement of the fiscal support on monthly basis.

d. OCAC shall follow approved system of the Government of India for releasing the fiscal support to approved applicants.

e. The Nodal Agency shall submit budgetary requirements to the Electronics and Information Technology Department, Government of Odisha as a consolidated amount on regular basis and not on project-by-project basis. Department of Electronics and Information Technology, Government of Odisha shall make budgetary provisions for disbursal of Capital Investment Subsidy to approved projects under the policy. Any excess / shortfall of funds for release of fiscal support would be intimated by the nodal agency to the Electronics and Information Technology Department, Government of Odisha well in advance for smooth implementation of the Policy.

f. The nodal agency shall submit monthly reports to the competent authority about the progress and performance of the Policy.

g. Capital Investment Subsidy on pari-passu basis shall be released to the Project Company subject to safeguards like submission of bank guarantee / corporate guarantee / personal guarantee or creation of charge on assets in favor of the Nodal Agency or combination thereof or any other suitable mechanism as prescribed in the approval letter.

10. Related Party Transactions :

a. For any expenditure forming part of the claim for fiscal support which involves purchase / lease from Group Companies / 'Related' entities, relevant certificate / documents (for domestic and / or international procurement) must be provided by the applicant. This shall be submitted in accordance with the

provisions of Companies Act, Income Tax Act and Accounting Standard as applicable and amended from time to time.

b. In case, any expenditure value is revised based on an assessment done subsequently as per provisions of the acts as cited above, the applicant shall notify and reimburse the Nodal Agency immediately for any incentive amount disbursed over and above the revised value as per subsequent assessment along with the interest calculated at 3 years SBI MCLR (as applicable on the date of disbursement) compounded annually.

11. Review and Impact Assessment :

i. Periodic reviews of approved applicants will be undertaken by the Nodal Agency with respect to their investments, utilization of funds, production, employment generation and value addition under the Policy.

ii. All approved applicants shall be required to furnish self-certified Quarterly Review Reports (QRRs) within 60 days from the end of each quarter till five years or till the time the fiscal support is being drawn, whichever is later.

iii. Mid-term appraisal of the Policy will be carried out after two years of its implementation or as per recommendation from the Electronics and Information Technology Department, Government of Odisha to assess the impact of the Policy, off-take by the approved applicants and economy in terms of the stated objectives.

12. Sanction, Confirmation & Ratification :

a. OCAC will present the evaluation report and the entitlement of the incentives for the project before the APEX committee, which will decide based on the merit of the case.

b. After sanction of Capital Investment Subsidy, Nodal agency OCAC will communicate the details of sanction to the concerned eligible unit within 7 days of issue of the Proceedings.

13. Rejection:

In case of rejection of application for fiscal support, the reasons of rejection shall be communicated to the applicant unit within 45 days of receipt of application from the claimant unit by the respective agencies.

14. Recovery of Subsidy on Capital Investment :

The amount disbursed towards Capital Investment Subsidy and or any part thereof shall be recoverable with penal interest as decided by the sanctioning

Authority on following events as per terms and conditions undertaken by the unit in the body of application form.

i. If the information furnished is found to be false/ incorrect / misleading or mis-represented and there has been suppression of facts / materials or disbursed in excess of the amount actually admissible for whatsoever reason.

ii. If the unit goes out of production for a period exceeding six months at a time for any reasons other than labour troubles, want of electric power or for the reason which is beyond the control of entrepreneur / management during the period of incentives.

15. Residual :

i. Any change / deviation in the location of a project / unit, after filing the application and before approval of the same, shall be allowed by the Nodal Agency after due verification of application of capital expenditure/ investment at the changed location.

ii. Any deviation with respect to approved eligible capital expenditure / investment, after approval of the project, shall be intimated by the Nodal Agency to the Electronics and Information Technology Department, Government of Odisha. In case of reduction of the eligible capital expenditure / investment, the Nodal Agency will give the revised approval to the applicant. In case of escalation of the eligible capital expenditure / investment, the Nodal Agency will seek approval of the Competent Authority in the Electronics and Information Technology Department, Government of Odisha. Based on the Competent Authority's recommendation, the Nodal Agency shall communicate the revised approval.

iii. An applicant shall intimate the Nodal Agency of any change in the shareholding pattern of the Promoters' holding in the Project company, including any change in encumbrance, post application and during the period of 5 years from the date of acknowledgement or till the time the fiscal support is being drawn, whichever is later.

iv. In case of a successor-in-interest, the capital expenditure / investment undertaken by the applicant and the successor-in-interest, would be considered for determining eligible capital expenditure / investment, subject to recommendation and compliance with any other condition stipulated by the Nodal Agency, as may be deemed appropriate. The earlier capital expenditure /

investment and eligible capital expenditure / investment for the successor-in-interest shall be the same as determined for the applicant to whom approval was accorded under the Policy.

v. Units receiving fiscal support under the Policy shall have to remain in commercial production for a period of at least 3 (three) years from the date of commencement of commercial production of the entire project and provide an undertaking for the same.

vi. The applicants shall be eligible to take benefit under any other Scheme(s) of Government of India.

vii. The Nodal Agency shall rely upon information submitted by applicant/ project company on self-certification basis. For this purpose, the applicant shall submit an undertaking as per format at ***Annexure-2***. To obviate any malpractices in the financial matters where disbursements are made to industry by the Government, it has been decided to provide a deterrent against corrupt practices for promotion of transparency and equity. Therefore, keeping in view the sensitivities involved in the process and taking cue from the instructions of the Central Vigilance Commission regarding adoption of an Integrity Pact in the matter of procurement, the Nodal Agency shall obtain undertaking(s) from applicants under the policy as per ***Annexure-3 & 4***.

viii. If Nodal Agency is satisfied that eligibility under the Policy for determination of eligible capital expenditure and / or disbursement of incentive have been obtained by fraud of an essential fact pertaining to the Policy or furnishing of false information or in case of an Insolvency Event pertaining to the Project Company or closure or abandonment of the project or breach of any of the terms under the Policy, Nodal Agency may ask the Applicant / Project Company to refund the fiscal support along with accrued interest, calculated at 3 years SBI MCLR (as applicable at the date of demand) compounded annually, after giving an opportunity to the Applicant / Project Company of being heard.

ix. The Project Company shall not, without the prior written approval of Nodal Agency, enter into any transaction of merger, consolidation, re-organization, Scheme of arrangement or compromise with its creditors or shareholders or effect any Scheme of amalgamation or reconstruction, on or before 1 (one) year from the date of commencement of commercial production.

x. All clearances including permits, licenses and environmental clearances, third party approvals, etc. necessary to execute the proposed project shall be obtained by the Project Company as per law.

xi. Till declaration of the commercial production of the entire project, the Project Company shall not sell or dispose of the project assets or any part thereof or create thereon any mortgage, lien or charge by way of hypothecation or otherwise except in the ordinary course of business without prior approval of Nodal Agency.

xii. The Project Company shall create first charge on the Fixed Assets, created or to be created, in favour of Nodal Agency. In case of any financing for the project through Banks/ Financial Institutions (FIs), Nodal Agency's charge on the Fixed Assets shall be subservient to the charge/ security interest of the Banks/ FIs. The charge/ security interest created in favour of Nodal Agency shall be released upon commencement of commercial production of the entire project. However, for ISM approved projects, Nodal Agency's charge on the Fixed Assets shall be subservient to the charge/ security interest of ISM (India Semiconductor Mission) /Banks/ FIs.

xiii. Supplementary Guidelines may be issued from time to time for the smooth implementation of the Policy.

16. Miscellaneous:

a. The Applicant/ Company will submit /upload the DPR of the project on the Go Swift Portal as per the format given at ***Annexure-1*** to this OG. Other Annexures (2 to 4) have to be filled in by the Applicant as per applicability.

b. Unit shall furnish its audited financial statements and other periodical statements of each financial year to OCAC during the period of incentives.

c. Any change in facts or circumstances affecting the eligibility of the unit shall be intimated immediately to OCAC by the unit.

d. Time limit prescribed in this guideline is of working days only.

By Order of the Governor
VISHAL KUMAR DEV
Principal Secretary to Government

Annexure -1

Prescribed DPR Format

Application Form (Highlighted documents are documents not asked in Go Swift)

1. Applicant Company

1.1 Date and Country of Incorporation

1.2 Registered Address, Corporate Address, Phone, Email, Website

1.3 Shareholding Pattern

1.4 Profile and contact details of shareholders

1.5 Profile and contact details of Board of Directors

1.6 Joint Venture (JV) Agreement/ Other Business Agreements, if applicable

1.7 Audited Financial Statements for last 3 years

1.8 Credit History – Details of presence in RBI/ CIBIL's Defaulter and Willful Defaulter Lists, SEBI Debarred List. CIBIL Rating and External Credit Rating, if any. Certificate from Company Secretary/ Board of Directors

1.9 Letter of Authorization by Board of Directors or Managing Director or equivalent

1.10 Business Profile

1.11 Operational experience of applicant/ its promoters/ group in manufacturing the proposed products

1.12 Details of current manufacturing facilities in India and abroad

1.13 Integrity Undertaking (Format A)

1.14 Proof of submission of non-refundable application fee of INR << ……. >>

2. Project Company (Company incorporated in India for the purpose of the Policy)

2.1 Certificate of Incorporation

2.2 Memorandum and Articles of Association

2.3 Permanent Account Number

2.4 Goods and Services Tax Registration (GSTN) Certificate

2.5 Registered Address, Corporate Address, Phone, Email, Website

2.6 Capital Structure

2.7 Shareholding Pattern

2.8 Profile and contact details of Board of Directors

2.9 Joint Venture (JV) Agreement/ Other Business Agreements, if applicable

2.10 Audited Financial Statements for last 3 years

2.11 Credit History – Details of presence in RBI/CIBIL's Defaulter and Willful Defaulter Lists, SEBI debarred list, Blacklisting by any government department/ agency in India. CIBIL rating and external credit rating, if any. Certificate from Company Secretary/ Board of Directors

2.12 Letter of Authorization by Board of Directors or Managing Director or equivalent

2.13 Business Profile

3. Techno-Economic Feasibility Project Report

3.1 Project Summary

3.2 Bank/ FI Appraisal Note/ Report, if available

3.3 Technology Specifications

3.3.1 Technology

3.3.2 Target products and applications

3.3.3 ITC/ HS codes for proposed products

3.3.4 Existing and Proposed Installed capacity, number of working days in a year, number of working hours per day

3.3.5 Technology Partnerships – Details of technology partner(s) with relevant documents

3.3.6 Manufacturing Process

3.4 Proposed Location

3.4.1 Complete Address of the proposed manufacturing unit(s)

3.4.2 GPS location

3.4.3 GST Registration (GSTN) Certificate

3.4.4 Registered Sale/ Lease Deed

3.4.5 No-objection certificate (NOC) from owner of land in case of sub-lease

3.4.6 Title Search Report from lawyer including non-encumbrance certificate

3.4.7 Land area

3.4.8 Describe the locational advantage with respect to supply of raw materials, power, water, fuel and manpower as also with respect to facilities for transportation, effluent disposal and market.

3.5 Project Financials

3.5.1 Total project cost including working capital requirements and year-wise proposed phasing of investment

3.5.2 Sources of fund

3.5.2.1 Board Resolution of Project Company for investing the project cost towards setting up of the project

3.5.2.2 Board Resolution/ Undertaking from equity/ unsecured loan providers

3.5.2.3 Proof of equity/ unsecured loans brought in

3.5.2.4 Sanction letter/ Letter of Intent (LoI) and Term Loan Agreement for Debt

3.5.2.5 Documents showing capability of fund providers (not required for Banks/ FIs)

3.5.2.6 Contact details of fund providers

3.5.3 Projected P&L for 20 years

3.5.4 Key financial indicators (IRR, ROCE, ROI, EBITDA, NPV)

3.6 Operational Details

3.6.1 Water, power and other utility requirements and arrangements for their supply

3.6.2 Ramp-up timelines/ Implementation schedule

3.6.3 Management structure

3.7 Human Resources

3.7.1 Availability and Requirement of trained manpower, plan for training and skill development

3.7.2 Proposed employment generation

3.8 Building

3.8.1 Land and Building Layout Plan

3.8.2 Type of construction, Purpose and Built-Up Area of each Building

3.8.3 Cost of Building vis-à-vis CPWD/ State PWD rates

3.9 Capital Goods

3.9.1 Requirement of new/ refurbished capital goods

3.9.2 Itemized list of equipment with details of proposed suppliers and quotations/ purchase orders.

3.9.3 Board-approved Vendor selection process

3.10 Raw Material

3.10.1 Bill of Materials (BOM) - %BOM cost and suppliers

3.10.2 Details regarding sourcing of raw materials, plan for developing the raw material manufacturing ecosystem in India

3.11 Market Assessment of Proposed Products

3.12 Roadmap for Technology Upgradation

3.13 Plan for R&D Collaboration with Indian academic institutions

3.14 Regulatory Treatment

3.14.1 Requirement of licenses, permits, clearances and third-party approvals necessary to execute the project.

3.14.2 Proposed timelines for obtaining such licenses, permits, clearances and third-party approvals

**The nodal agency reserves the right to add/ modify the aforesaid requirement of documents/ information during the process of evaluation of applications*

Annexure -2

FORMAT OF UNDERTAKING FOR CORRECTNESS OF APLICATION

(Undertaking from the Applicant on letterhead)

1. We, ……,hereby, acknowledge that the incentives that would / may be provided to us under the Odisha Semiconductor manufacturing & Fabless policy 2023/ Modified scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab/ Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/ Outsourced Semiconductor Assembly and Test (OSAT) facilities in Odisha, notified by Electronics and Information Technology Department, Government of Odisha Notification <<……..>>, will be provided to us based on, and after relying upon, the information provided by us to avail the said incentives.
2. We hereby confirm that the information provided by us for availing the said incentives is true, correct, and complete in all respects and that no material fact / information that may have an adverse impact on the information provided by us for availing the said incentives has been concealed. We acknowledge and confirm that the foregoing averment is on an on-going basis and further undertake to immediately apprise the Nodal Agency about any change in the status of the information provided by us to avail the said incentives.
3. We further undertake that in the event of (i) any of the information provided by us to avail the said incentives being found false, incorrect or incomplete, or (ii) in the event of the undertakings and confirmations stated at Para.2 above being found false, incorrect, incomplete or breached; we will (a) refund the entire amount of incentives availed by us along with interest calculated at 3 years SBI MCLR prevailing on the date of disbursement, compounded annually, for the period between excess payment and date of refund.
4. We acknowledge that the remedies provided in Para.3(a) above are not the exclusive remedies available with the Electronics and Information Technology Department, Government of Odisha and are without prejudice to any legal remedies available with Nodal Agency for events mentioned in Para 3(i) and 3(ii) above.

Annexure -3

Subject: Proforma for Integrity Compliance-Initial Undertaking(s)

(To be signed by full time Director/CEO/CMD/MD of the company/firm duly depicting the designation

and submitted on official stationery of the applicant along-with the authorization to do so)

Undertaking (Format-A)

1. Whereas, the applicant namely (name of company with address) has submitted an application under Odisha Semiconductor manufacturing & Fabless policy 2023/ Modified scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab/ Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) facilities in Odisha seeking incentive for the project pertaining to manufacturing or expansion of…….(name of items) at……(location of plants/factory) with the estimated capital expenditure of INR……..and estimated fiscal support of INR……..

2. Now, therefore, the applicant/ project company including its officers/representatives commits and undertakes that he/she will take all measures necessary to prevent corruption. He/ She commits to observe the following principles during his/her association/engagement with Nodal Agency or its agencies or its consultants engaged with the process of appraisal and verification of application for the approval of application and disbursement of incentive under Modified scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab/ Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/ Outsourced Semiconductor Assembly and Test (OSAT) facilities in Odisha.

2.1. The applicant/ project company will not directly or through any other person or firm, offer, promise or give to any of the Nodal Agency's officer(s) or consultant or agency representative (appraisal or/and verification agency appointed by Nodal Agency to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before, during or after the processing of the application for grant of approval or disbursement of fiscal support.

2.2. The applicant/ project company will not commit any offence under the relevant IPC/PC Act; Further, the applicant will not use improperly, for purposes of

competition or personal gain, or as on to others, any information or document provided by the Nodal Agency.

2.3. The applicant/ project company shall disclose the name and address of the duly authorized Agents/Representatives who will be dealing with Nodal Agency or its agencies and the remuneration of these agents or representatives shall not include any hidden amount or component to get the work done in undue manner or causing inducement of whatsoever nature whether in cash or kind to influence the normal process or practice of work.

2.4. The applicant/ project company will disclose any and all payments he/she has made, is committed to or intends to make to agents, brokers or any other intermediaries, other than regular employees or officials of the applicant, in connection with the grant of approval or/and disbursement of incentive.

2.5. The applicant/ project company will not offer any illicit gratification to obtain unfair advantage.

2.6. The applicant/ project company will not collude with other parties to impair transparency and fairness.

2.7. The applicant/ project company will not give any advantage to anyone in exchange for unprofessional behavior.

3. The applicant/ project company declares that no pervious transgressions occurred in the last 3 years with any other Company in any country conforming to the anti-corruption approach or with any other Public Sector Enterprises/Central or State Government or its any instrumentality in India.

4. The applicant/ project company agrees that if it is found that the applicant has made any incorrect statement on this subject, the application will be closed or rejected, and Nodal Agency reserve the right to initiate legal action of whatsoever nature. In case if Nodal Agency has disbursed the fiscal support under the Odisha Semiconductor manufacturing & Fabless policy 2023/ Modified scheme for setting up of Compound Semiconductors /Silicon Photonics / Sensors Fab/ Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) facilities in Odisha, the amount disbursed to applicant be recoverable along-with interest calculated at 3 years SBI MCLR compounded quarterly besides black-listing of the applicant and initiation of legal action of whatsoever nature at the discretion of Nodal Agency.

The contents of the above undertaking have been gone through and after understanding the same is being executed / given on…….day of …….(Month/Year).

Signature
(Name & designation with address)
CMD/MD/Director/CEO

Annexure -4

Pro forma for Undertaking for compliance to be furnished by Project Company before release of Incentive

(To be signed by full time Director/CEO/CMD/MD of the company/firm duly depicting the designation and submitted on official stationery of the applicant along-with the authorization to do so)

Undertaking (Format-B)

1. Whereas, the project company namely (name of company with address) has submitted an application under Odisha Semiconductor manufacturing & Fabless policy 2023 / Modified scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab/ Discrete Semiconductors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP)/Outsourced Semiconductor Assembly and Test (OSAT) facilities in Odisha seeking incentive for the project pertaining to manufacturing or expansion of…….. (name of items) at…….(location of plants/factory) with the estimated capital expenditure of INR……and fiscal support of INR……
2. And, whereas, the project company has submitted an undertaking for observance and commitment for Integrity vide Undertaking dated……given under the signatures/authority of applicants ……. (name and designation) to Nodal Agency in respect of aforesaid application.
3. And, whereas, the project company including its officers/representatives gives commitment and undertake that he/she will take all measures necessary to prevent corruption and that he/she will not directly or through any other person or firm, offer, promise or give to any of the Nodal Agency's officer(s) or consultant or agency representative (appraisal or/and verification agency appointed by Nodal Agency to handle the application) involved in the process of dealing with application or to any third person any material or other benefit which he/she is not legally entitled to in order to obtain in exchange any advantage of any kind whatsoever before or during or after the process of the application for grant of approval or disbursement of fiscal support.
4. And, whereas, the application submitted by the applicant/ project company has been given the approval by Nodal Agency vide its communication no……dated……..for capital expenditure of INR…….and fiscal support of INR…….after the appraisal process carried out by Nodal Agency through its agencies.

5. And, whereas, the project company has submitted the disbursement application dated ....to Nodal Agency for claiming incentive of INR……on the capital expenditure of INR……..

6. And, whereas, Nodal Agency has considered the disbursement application and got verified from its agencies and is in the process of disbursement/release of incentive on the disbursement application dated…….

7. Now, therefore, I/We hereby confirm the compliance thereof with the Integrity Undertaking submitted to Nodal Agency duly certifying that there is no breach to the same and requests that eligible fiscal support be released to applicant and the amount of incentive be credited in the bank account of applicant.

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